

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

9 5 — 0 6

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 1995

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 1995 \$ 706,249
b. FFY 1996 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A
Page 12 and 10 c9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Attachment 4.19-A
Page 12 and 10c10. SUBJECT OF AMENDMENT: Hospital services reimbursement plan change implemented during
the January - March 1994 quarter. Plan change provides one year waiver for
hospitals qualifying in the previous state fiscal year and updates neonatal criteria.

11. GOVERNOR'S REVIEW (Check One):

- ☒
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Gary J. Stangler

14. TITLE:

Director

15. DATE SUBMITTED:

3/30/95

16. RETURN TO:

Department of Social Services
Division of Medical Services
615 Howerton Court
P. O. Box 6500
Jefferson City, MO 65102-6500**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

03/31/95

18. DATE APPROVED:

AUG 28 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/95

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Nanette Foster Reilly

22. TITLE:

Acting ARA for Medicaid & State Operations

23. REMARKS:

cc:
Martin
Vadner
Waite

SPA CONTROL

Date Submitted 03/30/95

Date Received 03/31/95

- a. Total Medicaid patient revenues (TMPR) paid to the hospital for patient services under a state plan plus the amount of the cash subsidies (CS) directly received from state and local governments, divided by the total net revenues (TNR) (charges, minus contractual allowances, discounts etc.) for patient services plus the cash subsidies, and;
- b. The total amount of the hospitals charges for patient services attributable to charity care (CC) (care provided to individuals who have no source of payment, third-party or personal resources) less cash subsidies directly received from state and local governments in the same period, divided by the total amount of the hospital's charges (THC) for patient services. The total patient charges attributed to charity care shall not include any contractual allowances and discounts other than for indigent patients not eligible for medical assistance under a State Plan.

$$LIUR = \frac{TMPR + CS}{TNR + CS} \div \frac{CC - CS}{THC}$$

3. As determined from the third prior year desk reviewed cost report, the hospital has either:
 - (a) An unsponsored care ratio of at least ten percent (10%). The unsponsored care ratio is determined as the sum of bad debts and CC divided by TNR and also meets either of the criteria in paragraph VI.A.2., or
 - (b) The hospital ranks in the top fifteen (15) in the number of Medicaid inpatient days provided by that hospital compared to Medicaid patient days provided by all hospitals, and the hospitals also have a Medicaid nursery utilization ratio greater than thirty-five percent (35%) as computed by dividing Title XIX nursery and neonatal days by total nursery and neonatal days.
 - (c) The facility operated a neonatal intensive care unit with a ratio of Missouri Medicaid neonatal patient days to Missouri Medicaid total patient days in excess of nine percent (9%). The Medicaid neonatal percentage will be determined by dividing the Missouri Medicaid neonatal days, reported or verified by the division from the third prior year cost report, by the total Missouri Medicaid patient days.

2. Computation of disproportionate share limitation. Public hospitals, other than High DSH shall be limited to one hundred percent (100%) of this uncompensated care cost for SFY 95. High DSH shall be limited to two hundred percent (200%) for SFY 95. All hospitals shall be limited to one hundred percent (100%) of the estimated uncompensated care cost beginning with SFY 96.
 3. If the sum of disproportionate share payments exceeds the estimated uncompensated care cost, the difference shall be deducted in order as necessary from the safety net payment, UCACI payment, other disproportionate share lump sum payments, and if necessary as a reduced per diem.
- E. Hospitals which qualified as disproportionate share for SFY 94 and which failed to requalify as disproportionate share for SFY 95 shall be granted disproportionate share status effective January 1, 1995 provided the hospital meets the minimum 1% Medicaid inpatient utilization rate required by the Omnibus Budget Reconciliation Act of 1994. Disproportionate share status shall be at the same level (Tier I or Tier II) which the hospital qualified for during SFY 94. This waiver shall not continue for any admissions after June 30, 1995.

Substitute per letter dated 6/11/01

**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN - 95-06

REIMBURSEMENT TYPE: Inpatient hospital X

PROPOSED EFFECTIVE DATE: January 1, 1995

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for inpatient hospital services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. _____
2. With respect to inpatient hospital services - -
 - a. 447.253 (b) (1) (ii) (A) - The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs. _____
 - b. 447.253 (b) (1) (ii) (B) - If a state elects in its State plan to cover inappropriate level of care services (that is, services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing services or intermediate care services) under conditions similar to those described in section 1861 (v) (1) (G) of the Act, the methods and standards used to determine payment rates must specify that the payments for this type of care must be made at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861 (v) (1) (G) of the Act. _____

If the answer is "not applicable," please indicate:

-
- c. 447.253 (b) (1) (ii) (C) - The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality. _____
4. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
- a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. _____
- b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. _____
- If there are no State-operated facilities, please indicate "not applicable:" _____
- c. 447.272 (c) - Aggregate disproportionate share hospital (DSH) payments do not exceed the DSH payment limits at 42CFR 447.296 through 447.299.
- d. Section 1923 (g) _ DSH payments to individual providers will not exceed the hospital-specific DSH limits in section 1923(g) of the Act. _____

B. State Assurances. The State makes the following additional assurances:

1. For hospitals - -
- a. 447.253 (c) - In determining payment when there has been a sale or transfer of the assets of a hospital, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership, more than payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital -indebtedness, return on equity)if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.

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3. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. _____
 4. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. _____
 5. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. _____
 6. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. _____

Notice published on:

December 31, 1994

If no date is shown, please explain:

7. 447.253 (i) - The State pays for inpatient hospital services using rates determined in accordance with the methods and standards specified in the approved State plan. _____

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: Hospital

For hospitals: The Missouri Hospital Plan includes DSH payments in the estimated average rates. However, the DSH payments included in the estimated average rates do not represent the total DSH payments made to hospitals under the Missouri Medicaid Plan.

RH-DSH included

Estimated average proposed payment rate as a result of this amendment:
\$ 634.46

Average payment rate in effect for the immediately preceding rate period:
\$635.37

Amount of change: \$1.29 Percent of change: 0.20%

Estimated Out of State average payment rate as a result of this amendment:
\$ 432.17

Estimated Out of State average payment rate in effect for the immediately preceding rate period: \$ 432.17

Amount of change: \$0.00 Percent of change: 0.00%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:
- (a) The availability of services on a statewide and geographic area basis:
This amendment will not effect the availability of short-term or long-term services.
 - (b) The type of care furnished: This amendment will not effect hospital services furnished to Medicaid eligibles.
 - (c) The extent of provider participation: This amendment will assure recipients have reasonable access taking into account geographic location and reasonable travel time to inpatient hospital services.
 - (d) For hospitals - - the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs:
It is estimated that disproportionate share hospitals will receive 100% of its Medicaid cost for low income patients with special needs.